

# VEDDER PRICE

VEDDER, PRICE, KAUFMAN & KAMMHOLZ  
222 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60601-1003  
312-609-7500  
FACSIMILE: 312-609-5005

BARBARA C. KLABACHA  
312-609-7895

A PARTNERSHIP INCLUDING VEDDER, PRICE, KAUFMAN & KAMMHOLZ, P.C.  
WITH OFFICES IN CHICAGO AND NEW YORK CITY

June 24, 1999

## BY FEDERAL EXPRESS

Surface Transportation Board  
Room 2303  
12th Street & Constitution Ave., N.W.  
Washington, DC 20423

Attention: Mr. Vernon A. Williams

Re: Rail Logistics Services, Inc.

Dear Mr. Williams:

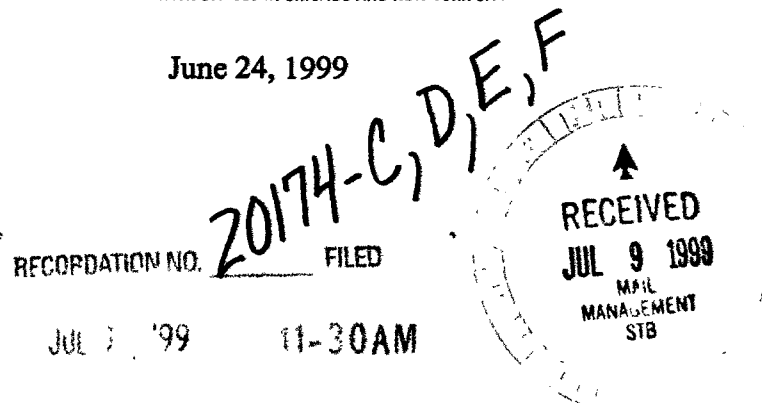
Enclosed for recording with the Board pursuant to Section 11301 of Title 49 of the U.S. Code are original, fully executed and notarized documents in connection with a primary document (the "Original Security Agreement") originally dated as of June 26, 1996 between Rail Logistics Services, Inc., as the debtor, (the "Debtor") and LaSalle National Bank, as the secured party, (the "Secured Party") as described below:

(i) a Master Collateral Assignment of Leases dated as of June 10, 1999 (the "Lease Assignment"), which pledges the lease of each locomotive financed by the Secured Party as collateral security for the Original Security Agreement, as amended;

(ii) a Third Amendment to Security Agreement dated as of November 6, 1998 ("Third Amendment"), which amends Schedule A to the Original Security Agreement to delete therefrom a certain locomotive known as PHL 9319;

(iii) a Fourth Amendment to Security Agreement dated as of February 16, 1999 ("Fourth Amendment"), which amends the Original Security Agreement to provide that Rail Logistics Services, Inc., a Delaware corporation, ("RLS" and Debtor) assumes all covenants, rights, promises, agreements, terms, conditions, duties and liabilities under the Original Security Agreement of Rail Logistics Services, Inc., a California corporation which was the original party to the Original Security Agreement, ("RLS-Cal") pursuant to a certain Assumption Agreement executed in favor of Secured Party in connection with a merger of RLS-Cal into RLS on or about February 16, 1999; and

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(iv) a Fifth Amendment to Security Agreement dated as of June 10, 1999 ("Fifth Amendment", together with the Third Amendment and the Fourth Amendment, the "Amendments"), which adds as additional collateral certain of the Debtor's rolling stock, a description of which is contained in Section 3 of the Fifth Amendment. Included in the property covered by the Fifth Amendment are all railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by the Debtor at the date of the Fifth Amendment or acquired in connection therewith. In addition, the Fifth Amendment amends the location of the Debtor's principal place of business and location where its books and records are kept, now as set forth in Section 4 of the Fifth Amendment. Debtor's principal place of business was recently moved from 405 Lexington Avenue, 50th Floor, New York, New York 10174 and is now located at 53 West Jackson Boulevard, Suite 335, Chicago, Illinois 60604.

The names and addresses of the parties to the Amendments are as follows: the Debtor is Rail Logistics Services, Inc., a Delaware corporation whose principal place of business is located at 53 West Jackson Boulevard, Suite 335, Chicago, Illinois 60604; the Secured Party is LaSalle National Bank whose principal place of business is located at 135 South LaSalle Street, Chicago, Illinois 60603.

A short summary for each document to appear in the index is as follows:

A Master Collateral Assignment of Lease dated as of June 10, 1999, between Rail Logistics Services, Inc., as the debtor, and LaSalle National Bank, as the secured party, covering each lease of the debtor's rolling stock now owned or acquired in connection with the Original Security Agreement, as amended.

A Third Amendment to Security Agreement, dated as of November 6, 1998, between Rail Logistics Services, Inc., as the debtor, and LaSalle National Bank, as the secured party, partially releasing Secured Party's security interest and lien with respect to a certain locomotive known as PHL 9319.

A Fourth Amendment to Security Agreement, dated as of February 16, 1999, between Rail Logistics Services, Inc., a Delaware corporation, as the debtor, and LaSalle National Bank, as the secured party, pursuant to which Rail Logistics Services, Inc., a Delaware corporation, assumed all covenants, rights, promises, agreements, terms, conditions, obligations, duties and liabilities of

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Rail Logistics Services, Inc., a California corporation which was the original party to the primary Original Security Agreement ("RLS-Cal"), pursuant to a merger of, and an Assumption Agreement between, RLS-Cal into Rail Logistics, Services, Inc., a Delaware corporation on or about February 16, 1999.

A Fifth Amendment to Security Agreement, dated as of June 10, 1999, between Rail Logistics Services, Inc., as the debtor, and LaSalle National Bank, as the secured party, covering all of the debtor's rolling stock now owned or acquired in connection with such Fifth Amendment to Security Agreement. A description of the additional rolling stock which is the subject of the Fifth Amendment to Security Agreement is contained in Section 3 of the Fifth Amendment to Security Agreement.

Also enclosed is a check in the amount of \$104.00 payable to the Surface Transportation Board to cover the recording fee prescribed by the Board in its rules and regulations.

Please acknowledge receipt of the enclosed documents by stamping and returning to me the enclosed copy of this letter together with each of (i) the Master Collateral Assignment of Leases, (ii) the Third Amendment to Security Agreement, (iii) the Fourth Amendment to Security Agreement and (iv) the Fifth Amendment to Security Agreement, each as filed.

If you have any questions with respect to the enclosed documents, please call me collect.

Very truly yours,



Barbara C. Klabacha

BCK  
Enclosure

JUL 9 '99

11-30AM

**FIFTH AMENDMENT TO SECURITY AGREEMENT**

This FIFTH AMENDMENT TO SECURITY AGREEMENT ("Fifth Amendment"), dated as of June 10, 1999, between RAIL LOGISTICS SERVICES, INC., a Delaware corporation having its principal place of business at 53 West Jackson Boulevard, Chicago, Illinois 60604, ("Borrower") and LASALLE NATIONAL BANK, a national banking association with its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60603 ("Bank").

WHEREAS, the predecessor-in-interest to Borrower, Rail Logistics Services, Inc., a California corporation ("RLS-Cal") and Bank entered into a certain Security Agreement dated June 26, 1996 as amended by: (i) a certain First Amendment to Security Agreement dated as of March 12, 1997 by and between RSL-Cal and Bank; (ii) a certain Second Amendment to Security Agreement dated June 30, 1998 by and between RSL-Cal and Bank; (iii) a certain Third Amendment to Security Agreement dated November 6, 1998 by and between RLS-Cal and Bank (said Security Agreement, as amended, the "Original Security Agreement");

WHEREAS, RLS-Cal was merged into Borrower and, in connection with that certain Fourth Amendment to Security Agreement dated as of February 16, 1999, Borrower assumed all of RLS-Cal's obligations, duties and liabilities under the Original Security Agreement (as theretofore, thereby thereafter and hereby amended from time to time, the "Security Agreement"); and

WHEREAS, Borrower and Bank desire to amend certain provisions of the Security Agreement.

NOW THEREFORE, the parties agree as follows:

1. Definitions. Capitalized terms used herein without definitions shall have the meanings contained in the Security Agreement.

2. Amended Definitions. The last sentence of the first paragraph of the Security Agreement is hereby deleted and the following is inserted in its stead:

"Capitalized terms used but not defined herein shall have the meanings assigned to them in that certain Third Amended and Restated Promissory Note dated as of June 10, 1999 executed by Borrower for the benefit of Bank (said Third Amended and Restated Promissory Note, as the same may be amended or restated from time to time, is hereinafter referred to either as the "Note" or the "Loan Agreement").

3. Additional Collateral. The following are added to Schedule A to the Security Agreement:

HBL Unit 101  
Model No. 6632 (Type SD-18)  
Model No. 6636 (Type SD-18)

4. Location of Principal Place of Business. The first sentence of Section 4.(b) of the Security Agreement is deleted and replaced with the following:

Borrower represents to Bank that the location of its principal place of business and the location where the books and records of Borrower are kept is 53 West Jackson Boulevard, Suite 335, Chicago, Illinois 60604.

5. Continuing Effect. Except as otherwise explicitly provided for herein, the terms and provisions of the Security Agreement remain in full force and effect.


6. Counterparts. This Fifth Amendment to Security Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

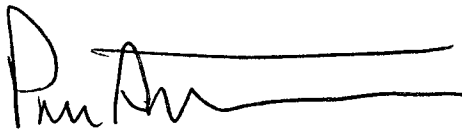
[SIGNATURE PAGE FOLLOWS]

*(Signature Page to Fifth Amendment to Security Agreement)*

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as an instrument under seal by their authorized representatives as of the date first written above.

RAIL LOGISTICS SERVICES, INC.,  
a Delaware corporation

By:   
Name: Bruce A. Lieberman  
Title: Treasurer

and   
By: \_\_\_\_\_  
Name: Peter A. Gilbertson  
Title: President

LASALLE NATIONAL BANK,  
a national banking association

By: \_\_\_\_\_  
Name: Terri Maurer  
Title: Vice President

*(Signature Page to Fifth Amendment to Security Agreement)*

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as an instrument under seal by their authorized representatives as of the date first written above.

RAIL LOGISTICS SERVICES, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: Bruce A. Lieberman  
Title: Treasurer

and

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LASALLE NATIONAL BANK,  
a national banking association

By: Terri A. Maurer  
Name: Terri Maurer  
Title: Vice President

STATE OF NEW YORK            )  
  ) ss.  
COUNTY OF New York    )

On this 22<sup>nd</sup> day of June, 1999, before me personally appeared Bruce A. Lieberman, to me personally known, who, being by me duly sworn, says that he is the Vice President and Treasurer of Rail Logistics Services, Inc., a Delaware corporation, and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

**NATALIE BLANK**  
Commissioner of Deeds  
City of New York No. 3-8108  
Certificate Filed in Bronx County  
Commission Expires November 1, 2000

Natalie Blank

Notary Public

My commission expires: Nov. 1, 2000

STATE OF ILLINOIS            )  
  ) ss.  
COUNTY OF \_\_\_\_\_    )

On this \_\_\_\_ day of June, 1999, before me personally appeared Peter A. Gilbertson, to me personally known, who, being by me duly sworn, says that he is the President of Rail Logistics Services, Inc., a Delaware corporation, and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Ann E. Donnell

Notary Public

My commission expires: \_\_\_\_\_

"OFFICIAL SEAL"  
ANN E. DONNELL  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 04/06/01



STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of June, 1999, before me personally appeared Bruce A. Lieberman and \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is the Treasurer and \_\_\_\_\_, respectively, of Rail Logistics Services, Inc., a Delaware corporation, and that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF COOK )

On this 17<sup>th</sup> day of June, 1999, before me personally appeared Terri Maurer, to me personally known, who, being by me duly sworn, says that he or she is a Vice President of LaSalle National Bank, a national banking association, and is duly authorized to sign the foregoing instrument on behalf of said banking association, and he or she acknowledges that the execution of the foregoing instrument was the free act and deed of said banking association.

Phyllis C. Seitz  
Notary Public

My commission expires: 5/24/01

